

Realty Trust Review

November 22, 1978
Priced Nov. 17

©1978 Audit Investment Research, Inc.

VOL. IX, No. 22

INVESTMENT OUTLOOK AND STATISTICAL ISSUE

Investment outlook: Market calm may be deceptive; Caution suggested.....	1
Earnings trends: Accountants join confusion act; High rates start trimming EPS..	7
Table: New Earnings Reports of latest quarters for 44 trusts.....	8
Comments on: <u>Barnett Winston, Cit. & So. Rlty., Colwell Mtg., Heitman Mtg.</u>	
Dividend trends: <u>First Fidelity</u> sets liquidating payout; Five increases.....	3
Table: Latest Dividend Declarations for trusts.....	3
Graph of Audit Investment Index of mortgage and equity (property) trusts.....	2
Nonearning investments: Our monthly tally finds 1.6% decline.....	6
Computerized Comparative Trust Group Averages.....	3
Comparative Trust Statistics for 147 realty trust shares and funds.....	4&5
Statistics for 15 warrants and 42 convertibles.....	6
Statistics for 38 straight bond issues of trusts.....	3
How to Use Comparative Trust Statistics.....	6

INVESTMENT OUTLOOK: OVERALL MARKET STRENGTH MAY BE DECEPTIVE; CAUTION SUGGESTED FOR NOW

The overall market has calmed a bit in recent days and shown some modest strength on light volume. The Carter Administration dollar defense package of Nov. 1 halted the market freefall and restored some semblance of order to stock and currency markets. The Dow-Jones Industrials still dropped 4.2% month-to-month from our pricing dates, evidencing the general fear of rising interest rates.

All this may rekindle a little hope for you that the dollar defense package is working -- exactly as it's intended to do. But we outlined last issue reasons for continuing to view the market for realty trusts and other stocks cautiously and we think there's no compelling reason to change -- yet.

Loan demand continues strong at the money center banks -- meaning that banks and corporations are trying to preserve liquidity against possibility of a real crunch. Utility stocks, usually a leading indicator of what money-sensitive investors think, haven't shown any real bounce in this rally yet.

More importantly, Federal Reserve Chrm. Miller clearly doesn't want a recession. The suspicion is that the Fed thus won't use its open market operations to drive interest rates up, and this in turn will bring further double-digit doses of new money. As we said last issue, as long as the money printing presses run to accommodate an uncontrolled Federal budget deficit, inflation will be high regardless of Presidential jawboning. And high inflation -- be it 7% or

OUR SISTER SERVICES - RELATIVE APPEAL RANKINGS FOR BUILDERS

REAL ESTATE DISCLOSURE DIGEST's Nov. 17 issue applies our proven Relative Appeal Ranking system to the stocks of 25 homebuilding companies, including these 11 majors: *Centex Corp., Kaufman & Broad, Lennar Corp., Presley Cos., Pulte Home, Ryan Homes, Shapell Indust., Standard-Pacific, and U. S. Home.* Price: \$15 prepaid.

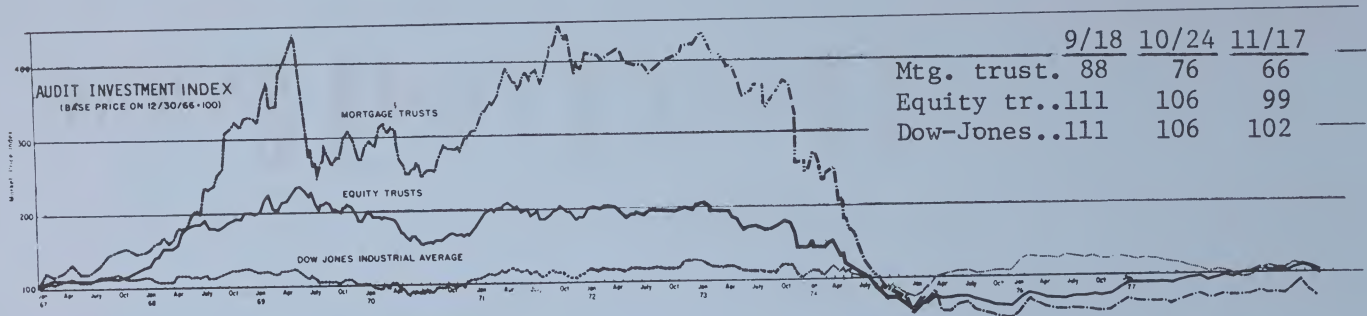
KENNETH D. CAMPBELL, EDITOR AND PUBLISHER

AUDIT INVESTMENT RESEARCH, INC., 230 PARK AVENUE, NEW YORK 10017

REALTY TRUST REVIEW, REAL ESTATE DISCLOSURE DIGEST, REIT EVALUATIONS, and special industry investment reports are published by Audit Investment Research, Inc., an independent advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Under no circumstances is anything contained herein to be construed as an offer to purchase or a solicitation to sell any security mentioned. Information has been obtained from sources believed to be reliable and reasonable care has been exercised in compilation, but accuracy or completeness cannot be guaranteed. Expressions of opinion are solely the responsibility of the publisher and may be changed at any time without notice. Periodical advisory services are mailed to reach subscribers no later than the Monday following publication date. Audit's officers, employees and printers are not permitted to trade upon any recommendation until the Tuesday following. Subscriptions may not be assigned without consent and unused portion refunded on request. All stock charts courtesy R. W. Mansfield Co. Copyright © 1978 by Audit Investment Research, Inc., 230 Park Ave., New York, N.Y. 10017. May not be reproduced or photographed in any form without written permission. Additional copies available at group rates.

PUBLISHED TWICE MONTHLY ON THE SECOND AND FOURTH FRIDAYS. SUBSCRIPTIONS \$148 ANNUALLY. SINGLE COPY \$10 (RELATIVE APPEAL \$20). BACK ISSUES \$1.50 TO SUBSCRIBERS ONLY. GROUP RATES ON REQUEST.

Individual portfolio consultation \$175 hr. to subscribers, \$250 nonsubscribers



10% -- is going to be poison to real estate trust stocks for awhile. The mortgage type trusts which finance with floating-rate short-term stand to be hurt the most because usury ceilings and other factors mean they cannot recover rising costs rapidly. The property trusts have reported strong earnings and dividends lately -- see pages 3 and 8 for some examples -- but higher interest rates reduce the capitalized value of their dividends.

Against this economic backdrop -- and it will dominate your investment stance for some time into the future now -- the realty trust shares experienced their second sharp decline. The average trust share fell 7.7% in the month (see table of Comparative Trust Averages, p. 3). But there were definite differences: property trusts were off about 3½% on average; the mortgage trusts down by about 7% on average; and the non-dividend paying mortgage/foreclosed property trusts off by a whopping 18.6% (atop an 18% decline in this group last month). But the recovery speculations had run up sharply last summer and are still about 12% ahead of prices at the beginning of the year -- while both property and mortgage groups are now below water for 1978.

This market action spilled over into the bond groups, as most straight and convertible bonds were off in tandem with their linked stocks.

Among dividend payers, Flatley Rlty. was the strongest performer, rising 6.3% on continued recovery hopes. Also in the plus column were No. 1-ranked Connecticut General, up 2.0% as investors took notice of a good dividend rise (RTR, Oct. 27); BankAmerica Realty, up 2.2% on the general tone of its

recovery (the \$1.00 annual rate payout was held after the Oct. quarter was reported); and San Francisco REI, up 2.9% on strength of a 16% dividend boost and continued earnings progress.

Non-dividend payers (generally those listed on page 5) took a bath in the month, not a single one edging into the plus column. But three managed to hold their own: Bay Colony Property, Citination Development now in semi-liquidation (see p. 3), Cit. & So. Rlty., benefitting from a major asset swap and resumption of NYSE trading (p. 7). One Treco preferred also held even.

Losses weren't horrendous for the dividend payers, U.S. Equity's 33% fall being the exception. But 10% or more losses were common, especially in the long-term mortgage group where some dividend cuts may be forthcoming. Losses were smaller for property trusts because stable dividends cushion impact of high rates; American Equity and API Trust fell over 14% each.

Even hopeful news couldn't keep Continental Mortgage Investors from dropping 37½%. It's 6¼% convertibles fell 11%. Home S&L, nation's largest, proposed a \$100 million rescue plan for the trust if it could resolve complex bankruptcy litigation that has kept the trust in bankruptcy court for over 2½ years now, and settle with senior bank creditors. A group of those banks promptly labeled the proposal without merit but at pricing date a group of debenture holders was forming to try and get the tangled bankruptcy action off dead center.

DIVIDEND TRENDS: FIRST FIDELITY PAYS FIRST LIQUIDATING PAYOUT; FIVE BOOSTS

First Fidelity Inv. Trust is paying a \$6.50/sh. initial liquidating dividend to record holders Nov. 15. Payment is expected about Dec. 8 to holders who deliver their certificates to the trust by Nov. 30. First Fidelity set up a one-year liquidation Feb. 28; its shares ceased trading on the Nov. 15 record date. Remaining assets will be distributed in Feb. 1979 and a final payout will be made in Feb. 1980 when all contingencies are met.

FFIT is the first trust to liquidate; Continental Illinois Properties, another trust, helped speed the liquidation by buying some industrial properties in Dallas and Orange Co., Calif. Overall FFIT netted about \$13.7 million or \$15.85/sh. net of mortgages. Contingencies may reduce some of this amount. The stock had \$10.75/sh. book value plus \$5.12sh. depreciation, indicating holders will just about recover

Trust	Record date	--Quarterly dividend/share--			-% Chng. from-	
		Latest	Previous	Year-ago	Prev.Q	Yr-ago
BankAmerica Realty....	12/1	\$0.25	\$0.25	\$0.15	UC	+67%
Commonwealth Rlty....	11/9	0.20	0.20	0.20	UC	UC
Consolidated Capital..	11/17	0.1717M	0.17M	0.17M	+ 1%	+ 1
Del-Val. Finc'l. Cp...	11/20	0.115M	0.115M	0.115M	UC	UC
First Fidelity Inv....	11/15	6.50L	---	---	NC	NC
Gould Inv. Trust.....	12/15	0.22	0.22	0.17	UC	+29
Nationwide REI.....	11/6	0.10	0.14	0.04	-29	+150
Property Capital Tr...	12/1	0.30	0.30	0.30	UC	UC
Property Tr. of Amer...	11/17	0.08	0.07	0.06	+14	+33
Prudent Real Estate...	12/5	0.06	0.06	0.05	UC	+20
Realty Income Trust...	12/1	0.35	0.35	0.35	UC	UC
San Francisco REI....	11/10	0.35	0.30	0.20	+17	+75
Virginia REIT.....	11/15	0.20	0.15	0.10	+33	+100
Washington REIT.....	12/5	0.47	0.45	0.45	+ 4	+ 4

UC=Unchanged, M=Monthly dividend. Trusts with reductions from previous quarter underlined. L=Liquidating dividend. NC=Not compared.

depreciation.

No other trust has adopted a formal liquidation plan but Citination Develop., managed by a Beverly Hills, Cal. bank, says it will dispose of remaining properties and distribute excess cash as a capital return.

Five property trusts boosted payouts over their previous quarters: Virginia REIT up 33% to an 80¢ annual rate; San Francisco RE, up 17%; Prop. Tr. of Amer., up 14%; and Washington REIT and Consol. Cap., up 4% and 1% respectively.

COMPARATIVE TRUST GROUP AVERAGE 11/17/78

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG FROM-- MON AGO	JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	20	0	20	2297	11.25	1.06	1.15	12.68	-3.5	-1.5	11.0	8.3	12.8	10.2	635.1
-SMALL	7	0	7	955	11.71	1.16	1.54	10.86	-4.8	5.0	7.1	10.7	-7.2	13.1	69.4
-SUBOR LAND	3	0	3	1862	16.11	1.15	1.62	11.29	-1.3	-4.6	7.0	10.2	-29.9	10.0	53.9
AVERAGE 3 PROP GROUPS			30	1940	11.84	1.09	1.28	12.11	-3.5	-0.5	9.4	9.0	2.3	10.9	758.4
PROP & MTG COMBINATION	15	9	24	2146	9.66	0.43	0.65	7.02	-7.3	5.1	10.7	6.1	-27.4	6.8	407.9
SHORT-TERM MTG	11	0	11	1757	15.05	0.60	0.73	8.34	-7.2	0.4	11.5	7.2	-44.6	4.8	175.0
LONG-TERM MTG/PROP	13	0	13	3448	14.70	0.96	0.93	9.33	-7.0	-20.4	10.0	10.3	-36.6	6.3	420.7
MTG/FCLSD PROP-MISC	8	7	15	2717	4.74	0.00	0.10	2.55	-20.3	4.0	23.6	0.0	-46.2	2.3	103.2
-BANK	0	16	16	2060	3.48	0.00	0.38	2.86	-13.6	17.2	7.4	0.0	-17.8	11.0	77.1
-INDEPEND	0	31	31	3240	0.93	0.00	0.23	1.70	-21.4	13.7	7.3	0.0	81.7	25.0	130.1
AVERAGE 3 MTG/FCLSD PROP			62	2809	2.51	0.00	0.24	2.20	-18.6	11.9	9.1	0.0	-12.3	9.6	310.4
OVERALL AVERAGE	77	63	140	2486	7.85	0.44	0.63	6.29	-7.7	-1.1	9.9	7.1	-19.8	8.1	2072.4
DOW-JONES INDUSTRIAL AVERAGE								91.37	797.73	-4.2	-3.9	8.7	5.9		

*Latest quarter annualized.

STRAIGHT BONDS

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BARNETT MTG-C	OC	6.75	'91	5.4	48.00	-14.2	14	MTG INV WASH-BG	OC	11.25	'80	15.0	62.00	-24.3	18
BARNETT MTG-CD	OC	8.50	'98	9.6	70.00	-22.1	12	NATIONWIDE RE-C	OC	7.00	'91	6.5	76.00	-1.2	9
BARNETT-WIN-CE	OC	8.25	'98F	18.3	92.00	-2.0	DEF	NJB PRIME INV-C	OC	7.00	'80F	4.7	32.00	-28.8	VJ
BAY COLONY PROP-B	PS	8.50	'89	17.0	66.00	-4.2	12	NO AMER MTG-B	PS	8.50	'87	12.1	72.00	0.0	11
BAY COLONY PROP-C	NY	8.50	'81F	6.8	81.63	-3.9	10	NO AMER MTG-C	NY	5.50	'79	16.3	89.00	1.7	6
BT MTG INV-C	OC	5.75	'82	19.4	53.00	-17.1	10	REALTY REFUND	NY	11.38	'98	20.0	90.13	0.0	12
CHASE MAN TR-A	OC	7.88	'78F	36.7	68.00	-11.6	DEF	REALTY REFUND-C	NY	12.00	'98	15.0	93.25	-5.7	12
CHASE MAN TR-C	OC	7.50	'83	41.2	28.00	-12.4	DEF	SAUL (B.F.)-C	NY	8.50	'80	25.0	91.00	-0.4	9
CITIZNS MTG INV-B	OC	8.50	'80	20.0	33.00	-10.7	VJ	SECURITY MTG-#	AS	7.25	'82	50.0	85.00	-2.1	8
CONT ILL RLTY-B	NY	7.63	'79	25.0	87.50	-3.7	8	SECURITY MTG-C#	OC	6.00	'82	17.1	66.00	-1.4	9
COUSINS M&E-C	NY	6.50	'82F	30.0	55.13	-11.0	11	SO ATLANTIC-C#	NY	6.75	'82F	16.9	62.63	-8.5	10
FIRST MTG INV-A	OC	6.75	'82	9.1	53.00	0.0	12	STATE MUT INV-B	NY	9.00	'80F	6.2	91.00	-1.4	9
FIRST NEWPORT-B	OC	8.75	'79	7.4	88.00	-1.0	9	TRI-SOUTH MTG-B	NY	7.75	'80F	19.3	80.00	-7.9	9
FIRST VA MTG-A	OC	4.00	'80	15.0	72.00	-3.9	5								
FIRST VA MTG-EM	OC	8-12	'80	5.0	82.00	-3.4	9								
GMR PROPERTIES-C	AS	7.70	'80	20.0	78.00	-4.8	9								
GREAT AMER MGMT-B	OC	7.55	'79	25.0	31.00	-16.1	VJ								
GREAT AMER MGMT-C	OC	8.75	'83	25.0	19.00	-13.5	VJ								
GROWTH RLTY-C	NY	6.75	'82	9.2	72.75	-5.1	9								
GUARDIAN MTG-B	OC	7.50	'79	25.0	33.00	-17.4	VJ								
GUARDIAN MTG-C	OC	6.75	'86	8.6	23.00	-11.4	VJ								
IDS REALTY-H	OC	---	---	127.8	55.00	-12.6	NC								
INSTITNL INV-B	NY	7.88	'80	20.0	83.00	-3.3	9								
JUSTICE MTG-B	OC	7.75	'79	9.6	45.00	-21.0	VJ								
MIDLAND MTG-B	NY	8.00	'80	17.1	82.75	2.2	9								

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$1.62. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION. X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT. #MAY BE USED AT PAR TO EXERCISE WARRANTS. F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON	ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS														
NR	AMER EQUITY IT#	OC AEQTS	2497	6.51	0.90	SEP	0.87 ↓ 7.50	-14.3	30.4	8.6	12.0	15.2	13.4	18.7
3N	API TRUST	OC APITS	1012	7.30	0.00	JUN	0.32 2.13	-14.8	-49.9	6.7	0.0	-70.8	4.4	2.2
NR	QCNWTH RLTY #	OC CRTYC	1180	6.24	0.80 ←	MAY	0.77 9.00 X	-8.0	0.0	11.7	8.9	44.2	12.3	10.6
4	CONSOL CAP RLY#	OC CCIPLS	1989	17.20	2.06 ←	AUG	1.24 ↓ 25.00 X	-6.8	-7.4	20.2	8.2	45.3	7.2	49.7
2	CONT ILL PROP#	NY CIE	4808	19.66	1.28	JUL	1.42 14.25	-3.4	-8.1	10.0	9.0	-27.5	7.2	68.5
2	DENVER REIA#	OC DENVS	1101	8.06	0.72	MAR	0.84 10.13	-2.4	20.9	12.1	7.1	25.7	10.4	11.2
2	FEDERAL REALTY#	AS FRT	1469	9.81	1.36	SEP	1.16 ↓ 16.50	-9.6	1.5	14.2	8.2	68.2	11.8	24.2
2	FIRST UNION #	NY FUR	4270	8.63	1.08	JUL	1.39 11.00	-4.3	-14.6	7.9	9.8	27.5	16.1	47.0
2	FLORIDA GULF#	OC PGLFS	995	14.59	1.28	JUL	1.48 13.75	-5.2	-1.8	9.3	9.3	-5.8	10.1	13.7
1	GENERAL GROWTH#	NY GGP	6202	6.38	1.56	JUN	1.73 23.88	-2.5	-1.0	13.8	6.5	274.3	27.1	148.1
2	GOULD INVESTOR#	AS GTR	1174	6.97	0.88 ←	JUN	1.20 8.88	-6.5	26.9	7.4	9.9	27.4	17.2	10.4
2	GREIT REALTY #	AS GRT	998	11.31	0.40	JUL	0.88 6.13	-3.9	-3.9	7.0	6.5	-45.8	7.8	6.1
2	HUBBARD REI	NY HRE	4004	22.84	1.44	JUL	1.72 16.25	-6.5	-8.5	9.4	8.9	-28.9	7.5	65.1
2	NEW PLAN RLTY#	OC NPLNS	2537	2.67	0.72	JUL	0.00 ↑ 8.75 X	0.7	7.2	0.0	8.2	227.7	0.0	22.2
2	PENN REIT #	AS PEI	1516	13.17	1.25	AUG	2.89 ↑ 14.63	-4.9	2.7	5.1	8.5	11.1	21.9	22.2
NR	PRUDENT REIT#	AS PRU	3146	2.30	0.24 ←	MAY	0.28 3.88	-3.0	47.5	13.9	6.2	68.7	12.2	12.2
3	REIT OF AMERICA	AS REI	1633	21.59	1.20	AUG	1.12 15.13	-2.4	4.3	13.5	7.9	-29.9	5.2	24.7
2	SAN FRAN RE #	AS SFI	1376	19.91	1.40	JUN	1.32 16.50 X	2.9	9.1	12.5	8.5	-17.1	6.6	22.7
NR	UNIVERSITY REI#	OC URETS	2514	8.33	0.72	JUN	0.36 ← 9.50	0.0	-9.5	26.4	7.6	14.0	4.3	23.9
2	WASH REIT #	AS WRE	1518	11.48	1.88 ↑	JUN	2.04 ↑ 20.88	-9.7	-13.5	10.2	9.0	81.9	17.8	31.7
GROUP AVERAGE		2297	11.25	1.06			1.15 12.68	-3.5	-1.5	11.0	8.3	12.8	10.2	635.1
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS														
NR	GENERAL RE #	OC GRELS	557	7.86	1.12	JUN	1.42 7.50	0.0	25.0	5.3	14.9	-4.6	18.1	4.2
3	HOTEL INVESTOR#	AS HOT	1558	17.30	1.80	MAY	2.00 16.75	-11.3	-1.5	8.4	10.7	-3.2	11.6	26.1
NR	PIITTS & W VA RA	AS PW	1510	22.72	0.56	SEP	0.80 ← 6.00	-2.1	-23.9	7.5	9.3	-73.6	3.5	9.1
NR	RE INV PROPS #	OC REIPS	960	7.59	1.06	SEP	1.24 ↑ 11.00	-2.2	10.0	8.9	9.6	44.9	16.3	10.6
NR	REIT OF CALIF	OC RTCAL	550	9.35	1.28 ↑	SEP	1.44 ↑ 15.00	0.0	20.0	10.4	8.5	60.4	15.4	8.3
NR	TERRYDALE R#	OC TRYLS	336	13.77	1.60	JUN	2.84 ↑ 14.75	-4.8	9.3	5.2	10.8	7.1	20.6	5.0
NR	US EQUITY & MTG	OC USEM	1214	3.35	0.68	JUL	1.03 5.00	-33.3	-9.1	4.9	13.6	49.3	30.7	6.1
GROUP AVERAGE		955	11.71	1.16			1.54 10.86	-4.8	5.0	7.1	10.7	-7.2	13.1	69.4
PROPERTY TRUSTS-SUBOR LAND LEASEBACK														
2	ICM REALTY	AS ICM	3011	15.13	0.24	AUG	0.96 8.00	-14.7	14.3	8.3	3.0	-47.1	6.3	24.1
2	JMB REALTY	OC JMBS	510	19.53	2.00	MAY	2.69 15.25	1.7	-7.6	5.7	13.1	-21.9	13.8	7.8
3	PROPERTY CAPITL	AS PCL	2065	13.68	1.20 ←	OCT	1.20 ← 10.63	-3.4	-11.4	8.9	11.3	-22.3	8.8	22.0
GROUP AVERAGE		1862	16.11	1.15			1.62 11.29	-1.3	-4.6	7.0	10.2	-29.9	10.0	53.9
PROPERTY & MTG COMBINATION														
2	BANKAMER RLTY	OC BRITS	3547	16.92	1.00 ←	OCT	1.28 ↓ 11.75	2.2	11.9	9.2	8.5	-30.6	7.6	41.7
3N	BRT REALTY	AS BRT	1400	2.70	0.00	AUG	0.00 ↓ 1.25	-28.6	81.2	0.0	0.0	-53.7	0.0	1.8
1	CONN GEN M&R#	NY OGM	5720	18.86	1.80	SEP	1.90 ↑ 19.00	2.0	-9.5	10.0	9.5	0.7	10.1	108.7
2	FLATLEY RLTY #	OC FLTLS	1000	7.04	0.20	JUN	0.68 4.25	6.3	30.8	6.3	4.7	-39.6	9.7	4.3
2N	INDIANA M&R #	OC INDMS	1154	8.87	0.00	SEP	0.64 ↑ 4.00	0.0	14.3	6.3	0.0	-54.9	7.2	4.6
2	INVESTORS RL#	AS IRT	1479	11.11	0.60	AUG	0.76 7.63	-7.5	1.7	10.0	7.9	-31.3	6.8	11.3
2	MILLER HENRY S	OC HSMTS	560	16.95	1.00	AUG	2.97 14.00	0.0	40.0	4.7	7.1	-17.4	17.5	7.8
1	MORTGAGE GROWTH	AS MTG	2627	10.65	0.64	AUG	0.52 6.00	-15.8	4.3	11.5	10.7	-43.7	4.9	15.8
2	PROP TR AMER#	OC PTRAS	2338	7.37	0.32 ↑	JUN	0.24 4.50 X	-6.1	-12.3	18.8	7.1	-38.9	3.3	10.5
3	REALTY INCOME	AS RIT	1566	9.43	1.40	JUL	0.00 12.38	1.1	-3.9	0.0	11.3	31.3	0.0	19.4
NR	RIVIERE RLTY #	OC RIV16	783	8.57	0.60	JUN	0.96 5.75	-4.2	4.5	6.0	10.4	-32.9	11.2	4.5
3N	SAUL (BF) REIT	NY BFS	5859	5.08	0.00	SEP	0.00 5.38	-6.4	26.6	0.0	0.0	5.9	0.0	31.5
2	US BANCORP #	AS UBT	840	17.03	0.80	AUG	1.76 14.00	-5.9	40.0	8.0	5.7	-17.8	10.3	11.8
2	VIRGINIA REI#	OC VARES	1251	10.08	0.80 ↑	SEP	0.96 ↑ 10.00 X	-15.0	29.0	10.4	8.0	-0.8	9.5	12.5
3	WELLS FARGO M&E	NY WFM	3917	17.48	1.20	SEP	1.68 11.00 X	-17.8	-17.0	6.5	10.9	-37.1	9.6	43.1
GROUP AVERAGE		2269	11.21	0.69			0.96 8.73	-3.7	8.2	9.1	7.9	-22.2	8.5	329.3
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR														
3N	BAIRD & WARNER	OC BAIDS	1043	15.86	0.00	JUL	0.00 7.00	-12.5	16.7	0.0	0.0	-55.9	0.0	7.3
2N	CENTRAL MTG	OC CMRTS	775	12.81	0.00	SEP	1.20 ↑ 5.00	-9.1	28.9	4.2	0.0	-61.0	9.4	3.9
2	FIRST CONTNL	OC FCRES	2106	10.32	1.00	AUG	1.04 7.75	0.0	-8.8	7.5	12.9	-24.9	10.1	16.3
↓	FRASER MTG	OC FRASS	1038	16.64	1.12	MAY	0.71 10.75	-6.5	-4.4	15.1	10.4	-35.4	4.3	11.2
2N	HANOVER SQ RLTY	AS HSQ	946	11.25	0.00	MAY	0.12 5.88	-11.3	12.0	49.0	0.0	-47.7	1.1	5.6
↓	LOMAS & NETLTN	NY LOM	3700	27.83	1.92	SEP	1.92 15.38	-15.2	-22.6	8.0	12.5	-44.7	6.9	56.9
2	M&T MORTGAGE	OC MTMIS	1482	10.27	1.20	AUG	1.24 9.38	1.4	-6.2	7.6	12.8	-8.7	12.1	13.9
↑	MTG TRUST AMER	NY MT	3860	12.91	0.00	AUG	0.56 6.13	-7.5	2.2	10.9	0.0	-52.5	4.3	23.7
2	NATIONWIDE RE	OC NRELS	1047	24.36	0.40 ↓	SEP	0.52 ↓ 13.00 X	-8.1	62.5	25.0	3.1	-46.6	2.1	13.6
2	SUTRO MTG INV	NY SUT	2322	15.56	1.00	SEP	0.62 8.38 X	-9.2	-10.7	13.5	11.9	-46.1	4.0	19.5
2N	WESTERN MTG	BO WMTGS	1003	7.77	0.00	MAY	0.08 3.13	-13.8	-3.7	39.1	0.0	-59.7	1.0	3.1
GROUP AVERAGE		1757	15.05	0.60			0.73 8.34	-7.2	0.4	11.5	7.2	-44.6	4.8	175.0
LONG-TERM MTGS & PROPERTIES														
3N	BT MTG INVSTRS	NY BTM	2116	-2.94	0.00	JUN	0.00 1.50	-25.0	-33.3	0.0	0.0	-0.0	-0.0	3.2
NR	DEL-VAL FIN CP*	OC DVALS	905	9.36	1.38 ←	SEP	1.28 ↓ 11.00 X	-1.2	-18.5	8.6	12.5	17.5	13.7	10.0
3	EQUIT LF MTG	NY EQ	5663	23.43	2.00	JUL	2.16 17.75	-5.3	-32.1	8.2	11.3	-24.2	9.2	100.5
↓	HOSPITAL MTG#	AS HMG	1178	22.54	0.60	AUG	0.60 8.75	-16.7	-4.2	14.6	6.9	-61.2	2.7	10.3
1	MASSMUTUAL MTG	NY MML	4670	19.63	1.36	JUL	1.33 12.38	-13.1	-19.5	9.3	11.0	-36.9	6.8	57.8
↑	MONY MTG INV	NY MYM	8935	9.82	0.92	AUG	0.68 8.63	-2.8	-13.7	12.7	10.7	-12.1	6.9	77.1
↓	NONSTRN MUT MT	NY NML	4758	19.12	1.00	SEP	0.68 10.00	-8.1	-18.4	14.7	10.0	-47.7	3.6	47.6
1	PACIFIC SO MTG	OC PSMTS	800	11.92	0.60	JUN	0.60 6.63	-5.3	-1.8	11.1	9.0	-44.4	5.0	5.3
↓	PNB MTG & RL#	NY PNI	2437	18.77	0.88	JUN	1.08 8.25	-16.5	-23.3	7.6	10.7	-56.0	5.8	20.1
3	REALTY REFUND	NY RRF	1377	18.01	1.68 ↓	OCT	1.68 ↓ 14.25	-8.8	-32.1	8.5	11.8	-20.9	9.3	19.6
2	RLTY & MTG PAC	OC RPACS	1890	18.00	1.28	AUG	1.16 11.25	-12.7	-9.1	9.7	11.4	-37.5	6.4	21.3
3N	SECURITY MTG	AS SMO	6487	5.88	0.00	JUN	0.00 3.00	0.0	0.0	0.0	0.0	-49.0	0.0	19.5
1	UNITED REALTY	AS URT	3610	17.61	0.84	AUG	0.84 7.88	-8.7	-20.2	9.4	10.7	-55.3	4.8	28.4
GROUP AVERAGE		3448	14.70	0.96			0.93 9.33	-7.0	-20.4	10.0	10.3	-36.6	6.3	420.7

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. AMERICAN EQUITY & ICM REALTY DIVIDENDS TRAILING 12 MONTHS. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CH. XI REORGANIZATION COMPLETED. Z-CH. XI PROPOSED OR POSSIBLE. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. CONTINENTAL MTG. EARNINGS FOR 4 MONTHS ENDED JULY 31, 1978 BEFORE RESULT OF INCLUDING OPERATIONS OF SUBSIDIARIES.

		EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
MTG & FORECLOSED PROPERTY-MISC SPONSOR														
3N	AMER CENTURY MI	NY ACT	2607	5.29	0.00	SEP	0.00↓ 2.50	-28.6	-20.1	0.0	0.0	-52.7	0.0	6.5
2N	COLWELL MTG	OC CLMTS	2030	2.90	0.00	SEP	0.00↓ 1.88	-6.0	135.0	0.0	0.0	-35.2	0.0	3.8
3N	CONT ILL RLTY	NY CIR	2797	2.28	0.00	SEP	0.61↑ 2.75	-12.1	-15.4	4.5	0.0	20.6	26.8	7.7
3N	HEITMAN MTG	AS HTM	3292	2.01	0.00	SEP	0.00 1.25	-23.3	-16.7	0.0	0.0	-37.8	0.0	4.1
2N	MIDLAND MTG	NY MMT	2382	0.24	0.00	SEP	0.05↓ 1.63	-34.8	30.4	32.6	0.0	579.2	20.8	3.9
2N	MISSION INV TR	AS MIT	1812	4.87	0.00	AUG	0.00 3.00	-7.7	71.4	0.0	0.0	-38.4	0.0	5.4
↓3N	NORTH AMER MTG	NY NAM	4401	8.45	0.00	SEP	0.00 2.88	-20.7	-23.2	0.0	0.0	-65.9	0.0	12.7
2N	WACHOVIA RLTY	NY WRI	3335	9.81	0.00	AUG	0.00 3.75	-25.0	-16.7	0.0	0.0	-61.8	0.0	12.5
GROUP AVERAGE			2832	4.48	0.00		0.08 2.46	-20.3	-1.5	29.8	0.0	-45.2	1.8	56.6
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)														
4N	AMER REALTY	OC ARB	2222	3.37	0.00	JUN	0.12 1.88	-28.5	62.1	15.7	0.0	-44.2	3.6	4.2
2N	BAY COLONY PROP	NY BAY	3315	6.18	0.00	AUG	0.07 3.50	0.0	27.3	50.0	0.0	-43.4	1.1	11.6
2N	C I REALTY #	NY CIX	2609	16.58	0.00	AUG	0.48 10.00	-24.5	-5.9	20.8	0.0	-39.7	2.9	26.1
3N	CITIZENS GROWTH	OC CITGS	811	6.82	0.00	APR	0.00 2.75	-38.9	57.1	0.0	0.0	-59.7	0.0	2.2
3N	FRANKLIN RLTY	AS FR	999	7.91	0.00	SEP	0.04↓ 4.88	-13.3	-4.9	122.0	0.0	-38.3	0.5	4.9
2N	SUMMIT PROP #	OC SPMTS	1543	6.73	0.00	JUL	0.00 3.25	-7.1	-18.8	0.0	0.0	-51.7	0.0	5.0
2N	US REALTY #	NY UTU	3434	3.98	0.00	JUN	0.32 5.00	-13.0	2.5	15.6	0.0	25.6	8.0	17.2
3N	WALTER RLTY #	OC WALJS	1035	7.47	0.00	OCT	0.27↓ 4.63	-2.5	-11.8	17.1	0.0	-38.0	3.6	4.8
2N	WISCONSIN REIT	OC WREIS	1514	4.85	0.00	JUN	0.03 1.75	-26.5	-54.9	58.3	0.0	-63.9	0.6	2.6
GROUP AVERAGE			1942	7.10	0.00		0.15 4.18	-18.0	-4.5	28.3	0.0	-41.1	2.1	78.6
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT														
2N	ALAMAND CORP	OC ALAM	1355	0.59	0.00	JUL	0.02↓ 2.00	-27.3	22.7	100.0	0.0	239.0	3.4	2.7
2N	BARNETT-WINSTON	OC BWITS	1663	2.67	0.00	SEP	2.99↑ 1.13	-30.7	28.4	0.4	0.0	-57.7	112.0	1.9
5N	BUILDERS INV	OC BULDS	2929	0.23	0.00	JUN	0.00 1.88	-11.7	66.4	0.0	0.0	717.4	0.0	5.5
3N	CAPITAL MTG	PH CHU	1675	-1.27	0.00	SEP	0.00 1.00	-20.0	23.5	0.0	0.0	-0.0	-0.0	1.7
4N	VJCONTINENTAL MTG	OC CMI	20838	-3.71	0.00	JUL	0.09 0.20	-37.5	-20.0	2.2	0.0	-0.0	-0.0	4.2
4N	COUSINS M&E	NY CUZ	3854	0.99	0.00	AUG	0.00 2.25	-25.0	50.0	0.0	0.0	127.3	0.0	8.7
2N	DIVERSIFIED MTG	NY DMG	7327	8.46	0.00	SEP	0.00 3.13	-19.3	19.0	0.0	0.0	-63.0	0.0	22.9
4N	VJDOMINION M&R	OC DMRTS	639	-10.86	0.00	AUG	0.66 0.63	-16.0	152.0	1.0	0.0	-0.0	-0.0	0.4
2N	EASTOVER CORP	OC EASTS	1034	11.86	0.00	SEP	0.53 7.00	-15.2	33.3	13.2	0.0	-41.0	4.5	7.2
5N	FIRST MORTGAGE	OC FMGTS	8495	-5.98	0.00	JUL	0.01 0.56	-30.9	0.0	56.0	0.0	-0.0	-0.0	4.8
4N	FIRST NEWPORT R	OC FNIRS	2339	3.44	0.00	JUL	0.14 1.38	-26.6	-4.2	9.9	0.0	-59.9	4.1	3.2
3N	FIRST VIR REIT	OC FVM	1208	6.42	0.00	JUN	0.41 1.75	-26.5	16.7	4.3	0.0	-72.7	6.4	2.1
5N	VJGREAT AMER M&I	OC GAA	4456	-12.99	0.00	APR	0.09 0.38	-39.7	52.0	4.2	0.0	-0.0	-0.0	1.7
3N	GROWTH RLTY	NY GRW	2059	8.03	0.00	SEP	0.00 ↓ 3.75	-9.2	7.1	0.0	0.0	-53.3	0.0	7.7
5N	VJGUARDIAN MTG	PH GHI	3000	-13.81	0.00	AUG	0.59 ↑ 0.75	-25.0	19.0	1.3	0.0	-0.0	-0.0	2.3
2N	HAMILTON INV	OC HAMTS	2133	5.43	0.00	SEP	0.40 1.75	-33.5	-6.9	4.4	0.0	-67.8	7.4	3.7
2N	INSTITUTUAL	NY INV	6074	2.98	0.00	JUL	0.33 1.63	-18.5	-31.5	4.9	0.0	-45.3	11.1	9.9
2N	KENTUCKY PROPTY	OC KMTGS	1100	2.61	0.00	AUG	0.00 1.88	-31.6	88.0	0.0	0.0	-28.0	0.0	2.1
5N	LIFETIME COM	OC LFMTS	6631	2.67	0.00	JUL	0.17 0.75	-25.0	66.7	4	0.0	-71.9	6.4	5.0
2N	LINCOLN MTG	OC LNMGS	1155	0.88	0.00	JUN	0.18 1.88	-21.0	36.2	10.4	0.0	113.6	20.5	2.2
5N	VJMETROPLEX RLTY	OC JMI	1184	-0.28	0.00	MAR	0.00 0.50	-43.2	-10.7	0.0	0.0	-0.0	-0.0	0.6
3N	MTG INV WASH	OC MINVS	2146	4.33	0.00	JUN	0.25 1.63	-31.5	-34.8	6.5	0.0	-62.4	5.8	3.5
4N	NATIONAL MTG	OC NMF	3707	2.03	0.00	AUG	0.12 0.88	-22.1	57.1	7.3	0.0	-56.7	5.9	3.3
5N	VJNJB PRIME INV	OC NJB	1330	-7.15	0.00	AUG	0.00 1.25	-33.5	303.2	0.0	0.0	-0.0	-0.0	1.7
5N	PLAZA REALTY	OC PRISS	1114	0.80	0.00	JUN	0.12 0.81	-23.6	-13.8	6.8	0.0	1.3	15.0	0.9
3N	REPUBLIC MTG	NY RMI	2107	3.90	0.00	SEP	0.00 1.63	-18.5	-27.6	0.0	0.0	-58.2	0.0	3.4
1N	TEXAS FIRST MTG	OC TFMRs	1055	8.00	0.00	SEP	0.03 3.38	-12.9	28.5	112.7	0.0	-57.8	0.4	3.6
2N	TIERCO	OC TIERS	1170	6.62	0.00	SEP	0.12 ↓ 2.13	-14.8	42.0	17.8	0.0	-67.8	1.8	2.5
4N	TRECO	OC TRECS	2174	1.33	0.00	JUN	0.00 1.00	-33.3	100.0	0.0	0.0	-24.8	0.0	2.2
4N	UMET TRUST	NY UAT	2109	-3.46	0.00	AUG	0.00 1.63	-6.9	-45.7	0.0	0.0	-0.0	-0.0	3.4
2N	WESTPORT CO	OC WSPTS	2388	4.22	0.00	JUL	0.00 2.13	-12.7	-5.3	0.0	0.0	-49.5	0.0	5.1
GROUP AVERAGE			3240	0.93	0.00		0.23 1.70	-21.4	13.7	7.3	0.0	81.7	25.0	130.1
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR														
5N	AMER FLETCHER M	OC AFM	1352	0.30	0.00	JUL	0.42 1.75	-26.5	98.9	4.2	0.0	483.3	140.0	2.4
2N	CAMERON-BROWN	NY CB	2016	7.14	0.00	SEP	0.09 ↑ 2.63	-22.2	0.0	29.2	0.0	-63.2	1.3	5.3
5N	CHASE MAN MTG	NY CMR	4886	-5.23	0.00	AUG	0.00 0.75	-14.8	-60.1	0.0	0.0	-0.0	-0.0	3.7
3N	CITINATL DEV	OC CITI6	600	13.33	0.00	JUN	0.29 7.75	0.0	24.0	26.7	0.0	-41.9	2.2	4.7
5N	VJCITIZENS MTG	OC CZM	1421	-17.02	0.00	JUN	0.00 0.15	-40.0	-48.3	0.0	0.0	-0.0	-0.0	0.2
3N	CITIZENS&SO RLTY	NY CZS	3829	1.89	0.00	SEP	1.77 ↑ 1.25	0.0	98.4	0.7	0.0	-33.9	93.7	4.8
2N	CLEVELAND TRUST	OC CTRIS	2525	10.38	0.00	JUN	0.00 4.38	-7.8	16.8	0.0	0.0	-57.8	0.0	11.1
4N	FIDELCO GROWTH	AS FGI	1580	5.32	0.00	AUG	1.59 3.63	-12.1	61.3	2.3	0.0	-31.8	29.9	5.7
2N	FIRST DENVER MI	OC FDMES	1621	6.27	0.00	JUN	0.00 2.00	-20.0	-11.1	0.0	0.0	-68.1	0.0	3.2
2N	FIRST MEMPHIS	OC FMEMS	1156	4.59	0.00	MAY	0.18 2.63	-19.1	75.3	14.6	0.0	-42.7	3.9	3.0
3N	FIRST PENN MTG	NY FPM	2961	1.31	0.00	JUL	0.08 1.88	-16.4	7.4	23.5	0.0	43.5	6.1	5.6
3N	FIRST WISCONSIN	OC FWMTS	1987	5.58	0.00	JUN	0.00 2.63	-24.9	31.5	0.0	0.0	-52.9	0.0	5.2
5N	INDEPENDENCE MT	OC IMTGS	2500	-3.92	0.00	JUN	0.11 1.25	-37.5	89.4	11.4	0.0	-0.0	-0.0	3.1
2N	MARYLAND REALTY	OC MDRTS	760	9.59	0.00	AUG	0.16 3.25	-7.1	-7.1	20.3	0.0	-66.1	1.7	2.5
2N	NW FINANCIAL IN	OC NFINS	1510	14.35	0.00	SEP	0.12 ↓ 7.63	-14.1	3.4	63.6	0.0	-46.8	0.8	11.5
3N	TRI-SOUTH MTG	NY TSI	2260	1.85	0.00	SEP	1.34 ↑ 2.25	-5.5	50.0	1.7	0.0	21.6	72.4	5.1
GROUP AVERAGE			2060	3.48	0.00		0.38 2.86	-13.6	17.2	7.4	0.0	-17.8	11.0	77.1
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS														
2N	ATLANTA NATL	OC ATNAS	1273	9.00	0.00	AUG	0.00 4.00	-20.0	18.3	0.0	0.0	-55.6	0.0	5.1
3N	BARNES MTG INV	OC BARNS	1910	11.10	0.00	JUN	0.00 2.13	-22.5	-22.5	0.0	0.0	-80.8	0.0	4.1
4N	CI MTG GROUP	PH CI	4812	-3.32	0.00	JUL	0.00 2.25	-10.0	226.1	0.0	0.0	-0.0	-0.0	10.8
2N	GMR PROP	NY GMR	2210	3.77	0.00	AUG	0.00 2.00	-27.3	-6.1	0.0	0.0	-46.9	0.0	4.4
4N	IDS REALTY	OC IDR	2409	3.73	0.00	JUL	0.65 1.38	-38.7	-17.9	2.1	0.0	-63.0	17.4	3.3
3N	SOUTH ATLANTIC	NY SAT	2706	2.93	0.00	JUL	0.08 2.88	-23.2	9.5	36.0	0.0	-1.7	2.7	7.8
3N	STATE MUTUAL	NY SMU	2786	8.08	0.00	SEP	0.23 4.00	-8.7	10.2	17.4	0.0	-50.5	2.8	11.1
GROUP AVERAGE			2587	5.04	0.00		0.14 2.66	-20.3	10.4	19.4	0.0	-47.2	2.7	46.6
PREFERRED STOCK & REIT FUNDS														
NR	COLWELL PFD	OC-CLMTP	2149	7.50L	0.00	SEP	0.00 ↓ 2.38	-4.6	-4.8	0.0	0.0	-68.3	0.0	5.1
NR	RET INCOME	AS-RET	3794	2.27N	0.00	JUN	0.08 1.75	-22.2	-22.2	21.9	0.0	-22.9	3.5	6.6
NR	RET-\$4.38 PFD	AS-RETPR	575	51.63C	4.38	----	0.00 43.50	-2.2	-2.2	0.0	10.1	-15.7	0.0	25.0
NR	S-G SECURITIES	AS-SGO												

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	65.00	10.8	0.8	13.65	2.50
AMER CENTY'B	NY	'91	6.75	28.00	57.50	11.7	-7.2	16.10	2.50
AMER REALTY	OC	'84F	7.00	10.40	60.00	DEF	-4.7	6.24	1.88
BAIRD&WARNER	OC	'91	6.75	21.00	62.00	10.9	-6.0	13.02	7.00
BANKAMERICA	OC	'90	6.75	21.00	78.00	8.7	-4.8	16.38	11.75
BENEF STD MI	OC	'91F	6.50	27.75	50.00	13.0	-13.7	13.87	2.00
CAPITAL MTG	OC	'91F	6.50	33.00	50.00	13.0	-12.2	16.50	1.00
CHASE MANHTN	OC	'96F	6.50	55.00	25.00	DEF	-10.6	13.75	0.75
CHASE MANHTN	OC	'97	11.63	2.25	33.00	DEF	-15.3	0.74	0.75
CONN GENERAL	NY	'96	6.00	32.50	67.50	8.9	-2.1	21.93	19.00
CONTINTL MTG	OC	'90	6.25	19.79	24.00	VJ	-11.0	4.74	0.20
EQUITBL LF M	NY	'90	6.75	26.25	80.00	8.4	0.0	21.00	17.75
FIRST NEWPT	OC	'91F	6.75	27.50	42.00	16.1	-8.6	11.55	1.38
FIRST PENN M	OC	'91F	6.75	8.65	48.00	14.1	-12.6	4.15	1.88
FIRST UNION	NY	'91	7.00	13.00	82.13	8.5	-6.6	10.67	11.00
FRANKLIN RLY	AS	'89	7.00	10.00	74.75	9.4	-4.1	7.47	4.88
GRT AMER MI	OC	'91	7.00	35.50	14.00	VJ	-26.2	4.96	0.38
HANOVER SQ R	AS	'92	7.25	21.00	79.50	9.1	-0.5	16.69	5.88
HEITMAN MTG	AS	'92	7.50	14.70	55.88	13.4	-11.6	8.21	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	78.00	9.9	-11.3	16.38	16.75
HOTEL INVTRS	OC	'91	7.50	25.25	72.00	10.4	-9.9	18.18	16.75
LINCOLN MTG	OC	'90	8.00	11.00	58.00	13.8	-15.8	6.38	1.88
MASSMUTL MTG	NY	'90	6.75	21.00	74.00	9.1	-8.0	15.54	12.38
MASSMUTUAL M	NY	'91	6.25	33.50	77.50	8.1	-1.2	25.96	12.38
MIDLAND MTG	OC	'86	7.00	16.67	50.00	14.0	-7.3	8.33	1.63
MONY MTG IN	NY	'90	7.00	11.00	86.00	8.1	-2.7	9.46	8.63
MTG INV WASH	OC	'90	8.00	15.00	65.00	12.3	-4.3	9.75	1.63
NJB PRIME	OC	'91F	6.75	21.00	32.00	VJ	-28.8	6.72	1.25
NOWSTRN MUTL	NY	'91	6.00	21.00	72.50	8.3	-0.6	15.22	10.00
RAM PACIFIC	OC	'91	6.75	21.00	70.00	9.6	-5.3	14.70	11.25
REALTY INCOM	AS	'91	8.00	18.00	72.00	11.1	-7.6	12.96	12.38
REPUBLIC MI	NY	'90	9.00	19.00	92.25	9.8	-3.2	17.52	1.63
SAUL (BF) RL	OC	'91	6.50	23.00	64.00	10.2	-2.9	14.72	5.38
SAUL(BF) REI	OC	'90	8.00	15.50	67.00	11.9	-10.6	10.38	5.38
STATE MUTUAL	AS	'91	6.75	21.00	68.00	9.9	0.0	14.28	4.00
SUTRO MIT	NY	'82	6.75	20.00	79.50	8.5	-6.4	15.90	8.38
SUTRO MTG	AS	'91	6.75	20.00	62.75	10.8	-8.3	12.55	8.38
TRI-SO / SR	PH	'88	10.00	2.50	95.00	10.5	-9.4	2.37	2.25
TRI-SOUTH MI	NY	'92F	7.00	29.50	54.50	12.8	-13.9	16.07	2.25
US BANCORP	AS	'92	7.00	26.25	73.00	9.6	-2.9	19.16	14.88
US REALTY IN	NY	'89	5.75	20.20	59.00	9.7	-7.7	11.91	5.00
WESTPORT CO	OC	'91F	6.75	21.00	52.00	13.0	-16.0	10.92	2.13

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ-IN BANKRUPTCY REORGANIZATION. F-TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF-IN DEFAULT.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.06	2.13	841.8	-33.2	0.1
CAPITAL MTG	O-CMORW	11/79	471	16.59	1.0	0.01	1.00	1560.0	0.0	0.0
CI MTG	P-CI.W	3/80	2854	20.00	1.0	0.03	2.25	790.2	-49.9	0.1
CITZNS&SO-B	O-CZS5	4/83	258	2.00	50.0	5.00	1.25	68.0	-28.5	1.3
FLATLEY RLTY	O-FLTLW	5/79	1000	10.00	1.0	0.25	4.25	141.2	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	0.75	15.00	38.3	-24.9	0.4
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.13	9.38	40.0	-58.0	0.1
MTG INV WASH	O-MINVW	3/80	931	15.00	1.0	0.03	1.63	822.1	-49.9	0.0
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.19	13.00	147.6	46.2	0.1
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.03	2.88	981.9	-49.9	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.03	1.63	1128.8	0.0	0.0
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.63	16.38	56.5	-15.9	0.8
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.03	3.00	434.3	-49.9	0.1
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.75	8.38	147.6	-24.9	0.5
UNITED RLTY	A-URTW	12/79	3610	20.00	1.0	0.13	7.88	155.5	0.0	0.5

*DEBENTURES USABLE IN LIEU OF CASH.

P-PHILADELPHIA EXCHANGE

NON/LOW EARNING INVESTMENTS AS OF NOVEMBER 20, 1978

	Number	---Invested Assets---		% Non- and low-earning	% Change in month
		Non/Low-Earn.	Total		
PROPERTY.....	30	\$ 90M	\$ 1,981M	4%	+1.2%
PROPERTY & MTG.....	24	484	1,944	25	-2.9
SHORT/TERM MTG.....	11	154	719	21	-7.4
L/T MTG/PROPERTY....	13	297	1,761	17	-0.3
MTG/FORECLOSED PROP.	62	4,585	6,314	73	-1.3
TOTALS/AVERAGES....	140	\$5,610M*	\$12,719M	44%	-1.6%

* Includes \$944M or 7.4% low-earning assets.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "s", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "*". Cash flow derived from amortization of debt discount is denoted by "d". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

EARNINGS TRENDS: ACCOUNTANTS JOIN CONFUSION ACT; HIGH RATES START TRIMMING EARNINGS

There's an old vaudeville joke about a man who keeps muttering "B.A.I.K." -- which he tells the straight man means, "Boy, am I konfused." "But you spell 'confused' with a 'C,'" chides the straight man. Punchline:

"See how confused I am."

Unfortunately the earnings reports emerging carry earnings-per-share calculations that are no laughing matter. But they are adding to confusion, spelled with either "C" or "K." What's happening is that the accountants are following, by rote and apparently without any concern for economic reality, a set of rules laid down in APB 15 to end misleading EPS reports.

Prime case in point is Barnett Winston Inv. Trust, which had an operating loss of \$121,000 in its Sept. 1978 fiscal year. But these wondrous accounting rules convert this into a 92¢/sh. gain from operations for the year as the primary earnings per share.

This alchemy results because BWIT has a large number of warrants outstanding, including some at \$20, and they are deemed "common equivalents" under accounting practice. So first the accountants assume the warrants will be exercised (although it's difficult to conjure up an investor paying \$20 for stock he can buy at 1-1/8 in the open market). Next the accountants figure the trust has to do something with all that money (\$32 million for BWIT on 1.6 million warrants at \$20), and so they assume the trust invests it in money-market instruments. After all those assumptions, BWIT turns a loss into a 92¢/sh. profit.

Now BWIT managers aren't pleased with this manner of doing things and so appealed all the way up to the national office of their accounting firm (Coopers & Lybrand) to reverse this Midas touch. No luck. Thus we've shown two quarterly numbers for BWIT in the table on p. 8 -- share amounts as the accountants reported them, and based on actual shares outstanding.

Nor is BWIT the only trust whose EPS reports have gotten out of touch with real-

ity as a result of applying this rule which means that "primary" earnings are effectively fully diluted earnings.

Citizens & Southern Realty earnings (loss) has been calculated using such widely varying "primary" share amounts in recent years as to make comparisons meaningless. Here's a brief table to illustrate, with shares in thousands:

Period	Shares	"Primary"	--Earn./share--	
	out	shares	Out	Primary
Yr. 9/76..	3,829T	3,829T	\$0.25	\$0.25
9Mo. 6/77.	3,829	36,046	4.47	0.18
Yr. 6/78.	3,829	35,344	2.29	0.31
3Mo. 9/78.	3,829	7,426	3.42	1.77

During the three years covered by the reports above (C&SR changed its fiscal year) not a single warrant or debenture was exercised. Yet earnings per share were reported on four different numbers based mainly on market price fluctuations. And accountants used an 80 million share as the base for EPS reports in one brief period.

Nor are these isolated horror stories. Colwell Mortgage Trust is now issuing 2.3 million preferred shares equal in all respects with common in its bankruptcy reorganization. That issuance is temporarily blurring EPS comparisons.

The EPS gyrations obscure the fact that Citizens & Southern Realty now has about \$1.89/sh. positive equity after \$13.8 million gains on asset swaps in the Sept. quarter, completing a major debt restructuring. The trust has voted to become independent of its bank sponsor by next Mar.

And while reported EPS depart from reality, the accountants' method does call attention to large overhanging dilution. C&SRI has just registered 12,964,150 sh. potentially issuable upon conversion of its Series A and B warrants. The registration statement discloses that several sophisticated investors would hold major ownership positions if they chose to exercise. They include the Wall Street firm of Kalb, Voorhis & Co.; venture capitalist Arthur Rock; Charles & Ellen Block of New York; two Panamanian companies under com-

mon ownership of Abraham Tenenbaum, Guatemala City textile manufacturer; and companies controlled by Victor Shaio, Bogata, Columbia businessman. They would control about 21.9% of the 16.9 million C&SRI shares that would be outstanding if all warrants were exercised.

The problem with these distorted EPS results is that many realty stock investors watch book value just as carefully as they watch earnings -- but with results such as those shown on p. 7 running around loose in The Wall Street Journal and other financial media, it becomes clearly impossible for investors to add or subtract reported EPS from book value. In this growing Confusion,

New Earnings Reports

Trust-Period ended	-Latest Q-Th.\$- Earn/Spcl.Item#	-Latest Q-EPS-- Earn/Spcl. Items#	-Earnings/sh.- Prev.Q Yr.ago	-Z Chng. From*- Prev.Q Yr.ago		
Quarterly results: Qualified trusts:						
Amer. Century Mfg. Sept.	\$491	d\$0.07	0.11/9cS	d\$0.19	Worse	Better
Amer. Equity In. Sept.	439/ 78G	0.17/3cG	0.58/42cG	0.20/15cG	-13*	+180*
BankAmer. Rlty. Oct...	1,127	0.32	0.37	1.41/1.46G	-14	Better*
BRT Realty.Aug.	d437	d0.31	+0.26	d0.45	Worse	Better
Central Mtg.Sept.	419/251G	0.54/32cG	+0.26/22cG	d0.15	+450*	Better
Cont. Ill. Rlty.Sept.	1,697/2700S	0.61/96cS	d0.37	+1.31/1.31S	Better*	Worse*
Federal Realty.Sept.	281	0.19	0.29	0.27	-34	-30
Gen'l. Growth.Sept.	2,476/ 140G	0.40/2cG	0.35/1cG	0.42/1cG	+12	-7
Indiana M&R.Sept.	102/ 83Y	0.09/7cY	0.37/31cY	+0.00	-71	Better
Midland Mtg. Inv.Sept.	121	0.05	0.18/80cS	d0.04/1.44S	Better*	Better*
Nationwide RE.Sept.	132	0.13	0.26/16cR	0.04	+30*	+225
New Plan Rlty.July.	2	+0.00	0.27	0.24	-100	-100
Penn. REIT.Aug.	1,317/616G	0.87/41cG	0.37	0.72/35ca	+24	+24
Pitts.&W.Va. RR.Sept.	301	0.20	0.20	0.20	UC	UC
Property Cap. Tr.Oct.	621	0.30	0.30	0.30	UC	UC
Real Es. In. Prop.Sept.	294	0.31	0.28	0.16/d6cb	+10	+94
REIT of Calif.Sept.	199	0.36	0.34	0.28	+6	+29
Realty ReFund.Oct.	573	0.42	0.47	0.55	-11	-24
Riviere Realty.Sept.	139	0.18	0.16	0.13	+13	+38
San Francisco RE.Sept.	399	0.29	0.25	0.10	+16	+190
Virginia REIT.Sept.	119	0.10	d0.09/d20cW	0.11	Better	-9
Washington REIT.Sept.	569	0.38	0.47	0.38	-19	UC

Quarterly reports: Nonqualified business trusts:						
Alamand Corp. July...	30/d3871SN	0.02/d29cISN	0.22/43cI	d0.90/1.14S	Better*	Better
Barnett Win. Inv. Sept...	8,671/6666S & 2.99/2.13S	689cY	0.66/56cS	0.96/1.57S	Better*	Better*
-On sh. out-Bar-Win....	8,671/6666S	5.21/4.00S	0.86/1.00S	0.96/1.57S	Better*	Better*
	d2077Y	61.25Y				
Cameron-Brown.... Sept...	191/719S	0.09/36cS	d0.11/55cS	d0.38	Better	Better
Capital Mtg. Inv. Sept...	d 12/323G	d0.01/19cG	d0.55/42cG	d1.78/4cS	Better	Better
Cit. & So. Rty. Sept...	13,091/13815S	1.77/1.86S	NC	NC	NC	NC
Colwell Mtg. Tr. Sept...	d644	d0.20	6.12/5.92Z	d0.66	Worse*	Better
Cousins M&E. Aug...	d 34/250S	d0.01/6cS	d0.05	+0.60/25cN	Better	Worse
Diversified Mf. Sept...	d135	d0.02	d0.03	d0.16	Better	Better
Franklin Realty. Sept...	12	0.01	0.09	0.01	-89	UC
Growth Realty. Sept...	d797	d0.39	1.15/d76cS	d0.65	Worse	Better
Guardian Mtg. Aug...	1,772/892G	0.59/30cG	0.27/19cNR	d0.87	Worse*	Better
Hamilton Inv. Tr. Sept...	857/1645S	d0.40/77cS	d0.08	0.20/57cS	Worse*	UC*
Heitman Mtg. Sept...	d894	d0.27	d0.28	d0.50	Better	Better
No. Amer. Mtg. Sept...	d1,377	d0.32	d0.37	d0.35	Better	Better
NW Finc'l. Inv. Sept...	187/ 95N	0.12/6cN	0.04	d0.11	Better	Better
Republic Mtg. Sept...	d204	d0.10	+0.00/20cS	d0.25	Better*	Better
Saul (B.F.) REIT. Sept...	d1,173/436G	d0.20/7cG	d0.16/9cG	d0.30/10cG	Worse*	Better*
Texas First Mtg. Sept...	30	0.03	0.05/6cS	d0.06/4cS	Better	Better
TIERCO. Sept...	143/365Y	d0.12/31cY	0.57/70cSG	+0.98/1.07S	Better	Better
Tri-South Mtg. Sept...	3,031/2721Z	1.34/1.20Z	d0.05/13cZ	d0.65	Better	Better
U.S. Realty Inv. Sept...	d219	d0.06	d0.05	+0.08/12cG	Worse	Worse*
Walter Realty. Oct...	281/437G	0.27/42cG	0.67/1.01G	d0.33	Better*	Better*

Annual results: All trusts:			EPS Previous Year	
Alamand Corp.....July..	584/351S, 6281I, 303N	0.43/26cS, 621cI, 22cN	d1.82/1.14S	--- Better*
Cousins M&E.....Aug...	d1,269/2816S	d0.33/73cS	d0.35/73cS&N	--- Better
General Growth.....Sept...	9,160/ 929G	1.48/15cG	1.32/6cG	--- + 6%
New Plan Realty.....July...	1,744/431G	1.03/26cG	0.95/6cG	--- -13*
Pennsylvania RE.....Aug...	3,481/1336G	2.30/88cG	1.55/35c actg. chng.	--- +18*
Saul (B.F.) REIT.....Sept...	d4,932/1474G	d0.84/25cG	d1.46/10cG	--- Better*

UC=Unchanged. NM=Not meaningful. R=Restated. P=Preliminary. D=Deficit.
 #--Special items shown in both thousand dollars and share amounts as: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor or insurance company; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers.

** Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse." NC=Not calculated.
 * Compared before special items.

a--Accounting change (Penn. REIT). b--Merger expenses (REI Props.).

your best bet is to rely upon the book values computed in each statistical issue of REALTY TRUST REVIEW. They are based upon actual shares outstanding and revised constantly as new information is received. They also are net of intangibles such as unamortized debt discount and expenses so that you are working with the "hardest" book value number readily available.

Rising interest rates are starting to trim earnings of trusts with interest rates tied to the prime rate. This is especially true for moderately troubled trusts such as Heitman Mortgage Inv. because they do not have a large volume of floating rate assets to help offset rising interest on bank debt. Thus HTM lost 27¢/sh. in the Sept. quarter, vs. 28¢/sh. loss in the June quarter and a 1¢ profit in the March period. Rising interest forced HTM to boost the cost-to-carry part of its loss reserve in the two most recent quarters, and with no letup in sight, could hurt future quarters.

Central Mtg. & Rty. reported a strong 54¢/sh. Sept. quarter that included 32¢/sh. gain on asset sales. Underlying operating earnings were 22¢. The asset sales let the trust repay some bank debt so that we now estimate its exposure to a prime rate rise at about 4¢/sh. for each 1% prime rate move, vs. the 10¢/sh. impact figured in RTR Nov. 10.

Property trusts reported strong earnings gains, with Pennsylvania REIT up 24% from the previous quarter; San Francisco REI up 16%; Riviere REIT up 13%; General Growth Props. up 12% before asset sale gains; and Real Estate Investment Props. up 10%. BankAmerica Realty was down 14% from a strong fourth quarter of its fiscal year in July; Indiana M&R did not benefit as much from loss reserve reversals; and year-end adjustments hurt New Plan Realty's July fiscal-year closing quarter.